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ABSTRACT

When consumers perceive a lessening in the value of any particular good or service provided by a free-market private enterprise, the likelihood of exit (that is, their choice of an alternative provider) is high. Parents of students enrolled in public schools, on the other hand, typically have not been able to choose an alternative service provider. In 1991 Minnesota became the first state to establish charter schools as an alternative means of funding and organizing the delivery of public education. During the 2-year period of 1999-2001, 23 new charter schools began operation in the state of New York. From these operating charter schools, five schools were selected for inclusion in this study. Of the 145 surveys distributed to the parents of approximately one-third of the enrolled students in each of the schools, 39 useful responses were obtained (27 percent). The survey instrument was designed to obtain information on: (1) factors that influenced the decision to enroll in the charter school; and (2) the type of relationship parents had with the students' previous schools. The statement, "Personnel at my child's previous public school were not sufficiently responsive to my concern as a parent" was judged to be first among the items that influenced the decision to transfer schools; it was most uniformly agreed to be a factor. Considering Hirschman's model of exit, voice, and loyalty, one can hypothesize that at least among this small sample of parents of charter-school students, the failure of the previously attended public school to attend to parents' "voice" became a significant issue for parents. (Includes a questionnaire.) (DFR)

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Using Hirschman's Concept of Exit, Voice, and Loyalty To Understand Public Response to the Charter School Movement.

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Using Hirschman's Concept of *Exit, Voice, and Loyalty* to Understand Public Response to the Charter School Movement[1]

Dan L. King and Sheila Taylor-King[2]

Over thirty years ago, Harvard economist Albert Hirschman (1970) authored a treatise hypothesizing three choices for consumers of services delivered by lazy monopolies.[3] That work served to provide a significant new theory for understanding consumer response to decline in organizations, however—although its applications to public school settings were both logical and evident—it did not then, and has not yet, received much attention in the literature which undergirds the study of education economics or education finance. Although not extensively used in the consideration of educational fiscal reform, conceptual constructs similar to Hirschman's have been used to support fiscal policy reform of other types of publicly supported services. For example, during the period of the mid-1970s through the 1980s, conservative policy-makers in many countries attempted to influence the improvement of public services through the incorporation of market pressures and free-market competition into a variety of publicly-supported endeavors (Schwartz 1994). Fundamental to these reforms was the commitment of policy-makers to deregulate governmental enterprises in a fashion that would change the behaviors of both consumers and public sector employees in order to improve the quality and cost of governmental services. However, notably, public education was not among these finance reform endeavors.

Common to economic policy reforms in the four countries studied by Schwartz were

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[3] A lazy monopoly is any organization—including, but not necessarily limited to, public government—that has such limited competition for providing its service or product that consumers are realistically frequently prohibited from selecting an alternative sources for the service or produce sought.

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efforts to reduce real public cost, reduce cost elasticity with respect to the gross domestic product, and commitments to improved responsiveness to public criticism. One of the economic manifestations of these policy orientations—irrespective of either the real or perceived degree to which the aforementioned efforts were successful—were managerial behaviors that appeared to be more sensitive to employees' and consumers' expressions of dissatisfaction with service or product (Walsh, 1991). These efforts were, and similar efforts continue to be, bound by traditional economic constraints that are well described by the economic concept of *homo economicus*; that is, the belief that human behavior is both rational and self-interested (Fehr and Gachter, 2000). Although originally applied to a rather restricted array of situations, Frank (1987) and Mixon (2000) have helped us see that the concept of *homo economicus* as manifest in self-interested fiscal behaviors can be applied to a wide-ranging set of economically influenced phenomena.

Considering the rational self-interests of *homo economicus*, the choices available to parents of public school pupils are appropriately characterized by Hirschman's concepts of *exit, voice,* and *loyalty*. Within this construct, individuals have three consumer behavior choices—(1) they can be satisfied with the good/service in question and continue to avail themselves of its utility (*loyalty*), or (2) they can be so dissatisfied with the good/service that they choose to abandon one provider for another (*exit*), or (3) they can be less than completely satisfied but continue to consume a particular good/service from the same provider, while expressing their dissatisfaction to some various levels of degree of intensity (*voice*). Public school districts—organizations that, at least up until the provision of publicly supported charter schools, could be quite appropriately categorized as lazy monopolies—have been slow, if not reluctant, to respond to consumer voice. (Perhaps because consumers' judgments about the quality of PK-12th grade schools are very subjective, or perhaps because many professionals believe that the lay public is unqualified to make informed judgements about educational quality parents and the broader communities have been—in many

communities—ignored except at certain critical times when the school district sees it as in its own self-interest to cultivate positive public opinions [e.g., at times of school millage elections].) Although schools may be slow to respond to *voice*, Behrman and King (2001) found that parents did voice responses to school reorganization issues and—in those instances where alternatives existed—parents exercised alternative choices. If slow to respond to voice, however, public schools have been even less significantly influenced by exit.

In contrast to the public schools, when consumers perceive a lessening value of any particular good or service provided by a free-market private enterprise, the likelihood of exit (i.e., choosing an alternative provider) is considerable. Obviously, competitive business enterprises respond to this threatened loss of income. Parents of students enrolled in public schools, on the other hand, typically have had little or no alternative service provider choice. Even in instances where non-public school alternatives are available, the alternative choice is frequently either sponsored by a group which is objectionable to the parent (e.g., schools with particular religious sponsorships) or it is so expensive as to make the choice unrealistic.

In 1991, Minnesota became the first state to establish charter schools as an alternative means of funding and organizing the delivery of public education. Within ten years 35 other states had followed suit. New York adopted legislation in 1998 which provided for the creation of state-supported charter schools. These free and innovative, state-supported schools—the enabling charter school legislation requires that charters demonstrate commitment to educational innovation and high academic standards—have proven to be most attractive in urban settings. Although the targeted number of 100 new charter schools was not achieved during the initial year of charter school legislation, this deficiency was less a function of non-interest than it was a result of high standards being established as conditions for obtaining a charter.

In New York, three extra-school agencies are empowered to grant school charters: The New York Board of Regents (a statewide pol' y-making body with broad plenary responsibility for all levels of education, PK-university); the State University of New York, and The New York City Chancellor of Education. In addition, local school boards can provide charters for existing public schools that might wish to convert to charter school status. With the enabling charter school legislation providing ensurances of quality, each of the extra-school agencies has been strictly reviewing charter school applications for compliance; these strict reviews have, indeed, slowed the awarding of charters from what policy-makers originally expected.

During the two-year period of 1999-2001, 23 new charter schools began operation in the State of New York. From these operating charter schools, five schools were randomly selected for inclusion in this study. With the cooperation of school administrators, surveys were distributed to the parents of approximately one-third of the enrolled students in each of the schools. The survey instrument was designed to obtain information on (1) factors that influenced the decision to enroll in the charter school, and (2) the type of relationship parents had with the students' previous schools. Since school administrator concerns for parental privacy limited the means for survey distribution and follow-up, it was not possible to actually conduct targeted follow-up requests with specific non-respondents. One general reminder was distributed to the entire survey population approximately 10 days following the initial distribution. Of the total 145 surveys distributed, a total of 42 responses were received. Since three of these responses were from parents whose children had not attended a public school during the preceding year, a total of 39 useful responses were obtained; this represented a usable response rate of 26.9 percent.

The survey instrument included ten (10) items that were thought to represent phenomenon which might have contributed to parents' decisions to enroll children in a charter school. (These items were derived from three informal interviews conducted with a charter

school administrator, non-charter public school administrator, and a parent.) Survey results are provided in Table 1.

Table 1 – Results of 36 Responses to Survey of Parents of Students Enrolled in Charter Schools

	Response to, "How true is this statement?" (1= Low, 5= High)		Response to "To what degree, if any, did this item influence you to choose a charter school?" (1=Low, 5=High)	
	Mean	s.d.	Mean	s.d.
1. My child's charter school offers programs that weren't available his/her previous public school.	3.1	.79	3.8	.78
2. I was dissatisfied with the overall type or quality of education my child was receiving at his/her previous public school.	3.5	.74	3.8	.79
3. Personnel at my child's previous public school were not sufficiently responsive to my concerns as a parent.	3.1	.79	4.6	.43
4. I was concerned about the behaviors of other children who attended my child's previous public school.	2.8	.87	3.3	.90
5. Transportation to/from my child's previous public school was less convenient that it is now.	2.4	.84	2.8	.98
6. Teachers in my child's previous public school seemed less concerned about my child as a person than do the teachers in his/her current charter school.	2.7	.87	3.2	.84
7. Teachers in my child's previous public school seemed less concerned about my child's academic achievement than do the teachers in his/her current charter school.	2.8	.88	3.5	.82
8. I did not like the teaching approaches that were used in my child's previous public school.	3.0	.71	3.6	.64
9. There wasn't enough attention given to character and moral education in my child's previous public school.	2.6	.78	2.9	.99
10. There weren't sufficient opportunities for parental involvement or engagement at my child's previous public school.	2.4	.82	3.2	.90

With respect to the first category of responses, there was observed to be very little difference among participant responses across the items in the survey instrument. Furthermore, in identifying the degree to which each of the statements actually reflected to perceived existing condition in either the school of previous enrollment or the current charter school, most statements were adjudged to the participating group to be either at or slightly below the mid-point of the response range. Thus, for most items, the best overall description would be that they were slightly untrue of either the previous school or the current charter school (depending on how the item was worded). There is little information here that is so striking as to make any observations regarding enrollment motivations in charter schools. In fact, there is so little stratification among responses that few—if any—opportunities for further consideration leap from the page.

A notable exception involves the item which solicited opinions on the perceived fact and influence of the degree to which personnel in the previously attended public school were responsive to parental expressions of concern. Although this item (#3) ranked third among all items in the degree to which it was thought to negatively describe conditions in the previously attended school, neither its strength nor the range of responses was noteworthy. However, when rating this item for the degree of influence it had on the parents' decision to choose the alternative charter school, it was ranked highest among all ten items. More notably, with a mean rating of 4.6 (on a five point scale of importance) it was the only item of the ten to receive a strength ranking of even above 4.0. Even more noticeable than that fact, the range of scores (as illustrated by the standard deviations) was far smaller than the ranges of all of the other responses. Thus, not only was this item adjudged to be first among the dissatisfiers that influenced the decision to transfer schools, it was more uniformly agreed to be a dissatisfier than were any of the other items.

Considering Hirschman's model of *exit, voice, and loyalty*, one can hypothesize that at least among this small sample of parents of charter school students, the failure of the

previously attended public school to attend to parent's "voice" became an significant issue for parents. So significant, in fact, that when presented with an alternative to the previously attended public school they selected an alternative—the local charter school. The application of *homo economicus*—choosing between economic-influenced alternatives based on rational economic self-interests—is clear. If the results of this small study accurately reflect that student-leaving from public schools was at least in some significant part influenced by the school's reluctance or inability to listen to expressions of parental concern, Hirschman's model of consumer behaviors in a lazy monopoly can said to be appropriately applied to public schools, and, then the lesson for public schools is obvious ... listen to parental concerns; more appropriately <u>demonstrate</u> that you listen to parental concerns . Make all parents feel as though the bureaucracy values their thoughts regarding educational matters; treat them as the valued partners-in-education that they are.

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Appendix – Survey Instrument

Survey of Parents of Students Enrolled in Charter Schools

This survey attempts to identify some items that parents have reported as possibly being sources of dissatisfaction which influenced their decision to enroll their child in a charter school. For each of the items listed please rate the degree to which it is true for you, and then, rate the degree—if any—to which the item influenced your decision to select a charter school education for your child.

You may return the survey in the self-addressed, stamped envelope which is provided, or you may drop it off in the school office. Please note, these surveys are not coded in any way and it is not possible to match responses wit individuals. In order to assure that your responses are completely private and confidential, we have provided no means of matching responses with individuals. Therefore, we cannot follow-up this survey with a specific reminder. Please help us better understand your decision by completing and returning the survey within the next week.

	How true is this statement? Not true ◄——► Very true (check one)					To what degree, if any, did this item influence you to choose a charter school? Not at all ◄——► Very much (check one)				
	1	2	3	4	5	1	2	3	4	5
1. My child's charter school offers programs that weren't available his/her previous public school.										
2. I was dissatisfied with the overall type or quality of education my child was receiving at his/her previous public school.										
3. Personnel at my child's previous public school were not sufficiently responsive to my concerns as a parent.										
4. I was concerned about the behaviors of other children who attended my child's previous public school.										
5. Transportation to/from my child's previous public school was less convenient that it is now.										
6. Teachers in my child's previous public school seemed less concerned about my child as a person than do the teachers in his/her current charter school.										

	How true is this statement? Not true ◄——► Very true (check one)					To what degree, if any, did this item influence you to choose a charter school? Not at all ◄——► Very much (check one)				
	1	2	3	4	5	1	2	3	4	5
7. Teachers in my child's previous public school seemed less concerned about my child's academic achievement than do the teachers in his/her current charter school.										
8. I did not like the teaching approaches that were used in my child's previous public school.										
9. There wasn't enough attention given to character and moral education in my child's previous public school.										
10. There weren't sufficient opportunities for parental involvement or engagement at my child's previous public school.										

Did your child attend an accredited public school during the 2000-2001 school year? _____Yes _____No

Please use the back side of this survey form to write any comments you might think would be helpful in our understanding of why you chose to enroll your son/daughter in this charter school. If you want any information on the results or use of this survey, please feel free to contact the research coordinator: Dan L. King, Buffalo State College, 1300 Elmwood Ave., Buffalo, NY 14222; phone – 716/878-4214; fax – 716/878-5301; e-mail – KINGDL@BUFFALOSTATE.EDU.

Thank you!

The Authors

Dan L. King currently serves as Dean of the Faculty of Applied Science and Education at Buffalo State College (State University of New York) where he also holds the rank of tenured professor of educational leadership. King's scholarly and professional interests include the fields of school law, school finance, and leadership and organizational behavior. Prior to his appointment at Buffalo State, King served as dean at both the University of Wyoming and Arkansas State University. He has held faculty and department chair positions at North Dakota State University and Loras College (Iowa). King began his educational career as a high school music teacher and later served as a high school principal and community education director. He earned the bachelor's degree at Madonna University (Michigan), the Master of Arts degree at the University of Detroit Mercy, and the Doctor of Education degree at Wayne State University.

Sheila Taylor-King, assistant professor of education at D'Youville College, completed her bachelor's degree in elementary education and her master's degree in early childhood education at Arkansas State University. After a brief period of service in public schools and as a collegiate faculty member and projects administrator, Taylor-King completed the Ed.D. degree in education at the University of Wyoming. While a member of the faculty at Wyoming and in her current faculty position, Taylor-King regularly teaches courses in literacy development. In addition to her curiosity about school choice issues, her scholarly interests include the effects of previous learning and school-family-community connections in literacy development.

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